

HOUSE BILL ANALYSIS

HB 1945

Title: An act relating to collection agencies.

Brief Description: Allowing a collection agency to collect a commercial debt.

Sponsors: Representatives O'Brien and Koster.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: January 18, 2000

Bill Analysis Prepared by: Charlie Gavigan, Counsel (786-7340)

Background: Collection agencies, including out-of-state collection agencies, are regulated by state law and must be licensed by the Department of licensing. A collection agency cannot collect any sum other than principal and allowable interest, collection costs specifically authorize by statute, and attorney's fees and court costs in the case of a lawsuit.

Summary of Bill: In addition to principal, interest, attorney's fees and court costs, a collection agency may collect any costs and fees authorized by written agreement between the debtor and client; collection costs on a commercial claim are not restricted to those specifically authorized by statute.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Rulemaking Authority: No specific authority.